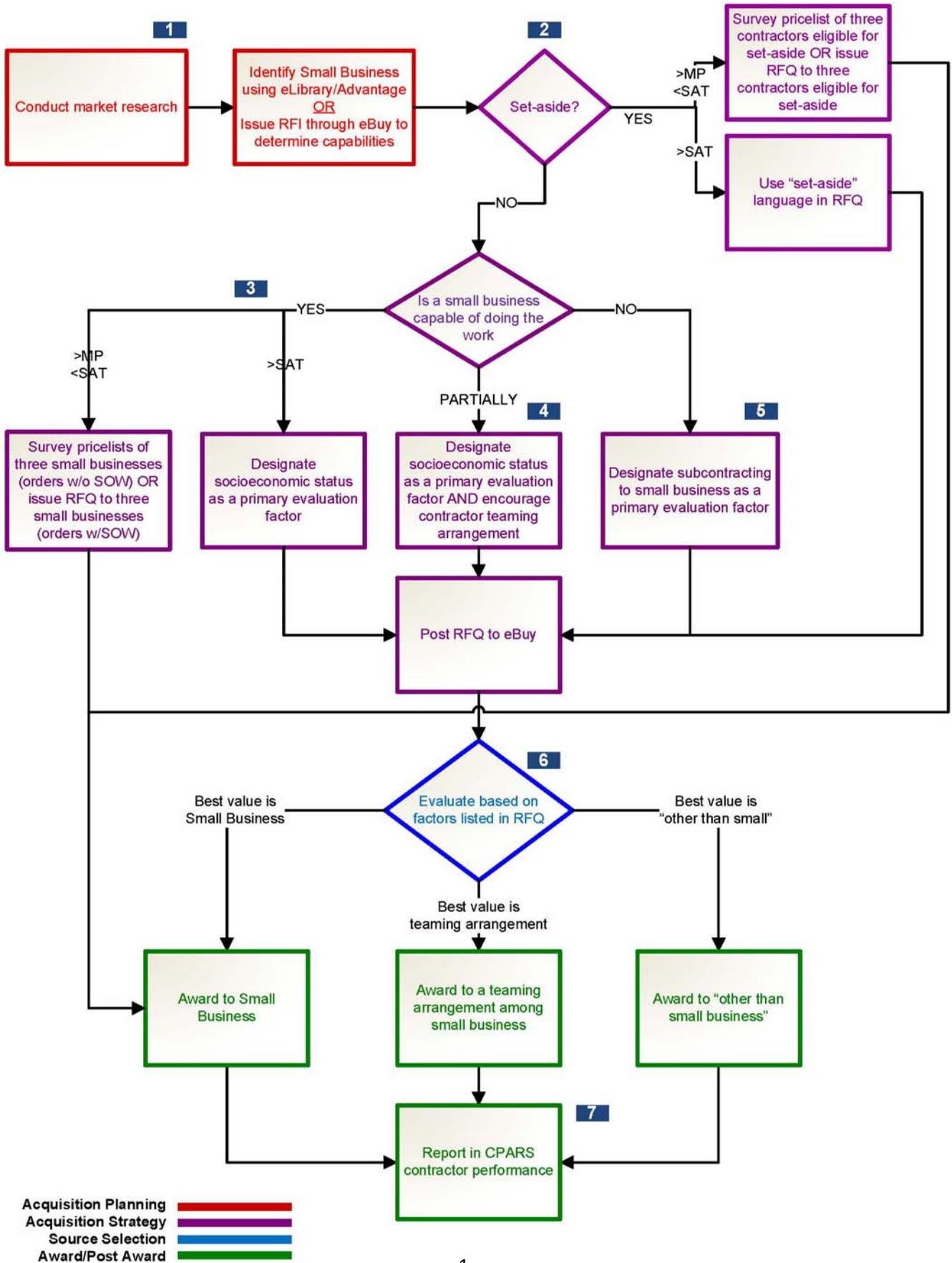


# Small Business Utilization in Schedule Order Process



## EXPLANATION OF PROCESS STEPS

### **1. Conduct market research.**

Ordering activities should utilize GSA *Advantage!*® and GSA eLibrary to identify small businesses capable of meeting the requirement. Through *Advantage!*®, ordering activities can find all contractors who provide the supply/product required and view the socioeconomic status of each contractor. Through eLibrary, ordering activities can find all contractors under the Special Item Number (SIN) associated with the required supply or service; ordering activities can then go one step further and filter the list of contractors by any specific socioeconomic category desired.

If a search on *Advantage!*® and eLibrary does not result in any possible small business sources, ordering activities may also consider issuing a Request for Information (RFI) on eBuy to determine the capabilities of small businesses in the relevant SINs and to identify small businesses capable of doing the work. An RFI is also a good idea when trying to determine whether your order is eligible for a set-aside (either for small business in general or for one of the small business sub-types listed in FAR 19.000(a)(3)); in order to do a set-aside, there has to be at least two (2) small business (or whatever sub-type the set-aside will be for) Schedule-contractors that are capable of doing the work, taking into account the limitations on subcontracting.

After conducting market research, ordering activities should be able to answer the question, “Is a small business capable of doing the work?”

### **2. Set-aside determination**

It is the ordering activity’s discretion whether to set-aside an order. This discretion can be exercised once two conditions are met: 1) there must be at least two (2) small business (or whatever sub-type the set-aside will be for) Schedule contractors that are capable of doing the work, taking into account the limitations on subcontracting; and, 2) your requirement must meet the small business program eligibility requirements for set-asides. Currently, only the 8(a) and Women-Owned Small Business (WOSB) set-aside programs have eligibility requirements.

In the event that the ordering activity exercises its discretion and the order is eligible for a set-aside, the ordering procedures in FAR 8.405-1 and FAR 8.405-2 need to be followed. This means that for orders above the micropurchase threshold but below the Simplified Acquisition Threshold (SAT), the ordering activity can either review the pricelist of 3 Schedule contractors that are eligible for the set-aside (e.g. small businesses for small business set-aside, HubZones for Hubzone set-asides) if the order is for supplies or services not requiring a SOW or send an Request for Quote (RFQ) to at least 3 Schedule contractors that are eligible for the set-aside for orders that require a SOW. For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough eligible Schedule contractors so that at least 3 quotes are received. For set-aside orders, ordering activities should consider using the following language in the RFQ:

This is a notice that this order is a total set aside for [insert either “small business concerns” or specify a type of small business concern]. Only quotes submitted by [insert either “small

business concerns” or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either “a small business concern” or specify a type of small business concern] will be immediately rejected.

**3. A small business is capable of doing the work in its entirety (no setting-aside of order).**

If the ordering activity has determined that a small business can meet the whole requirement alone, as long as there is no limitation on subcontracting, it has two options depending on the estimated order value:

For orders above the micropurchase threshold but below the SAT, the ordering activity can either review the pricelist of 3 small business Schedule contractors if the order is for supplies or services not requiring a SOW or send an RFQ to at least 3 small business Schedule contractors for orders that require a SOW. The ordering activity can then place an order with the Schedule contractor that represents the best value.

For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough Schedule-contractors so that at least 3 quotes are received. Since posting to eBuy will make the RFQ available for viewing by all Schedule contractors awarded the relevant SINs, the ordering activities should designate socioeconomic status as a primary evaluation factor in the RFQ. For additional guidance on how to use socioeconomic status as an evaluation factor, see the sample RFQ language posted on [gsa.gov/schedulesandsbgoals](http://gsa.gov/schedulesandsbgoals).

**4. A small business is capable of only doing part of the work on its own.**

If market research reveals that there is no small business that can meet the requirement as a whole *but* there are small businesses that can each cover portions of the entire requirement, ordering activities can designate socioeconomic status as a primary evaluation factor and also encourage contractor teaming arrangements (CTAs) in the RFQ. The RFQ can then be posted on eBuy which will result in *all* Schedule contractors awarded the relevant SIN(s) to be able to view the document. While posting on eBuy will result in the RFQ being viewable by large businesses awarded the relevant SIN(s), designation of socioeconomic status as an evaluation factor and the CTA language in the RFQ will prompt them to find a small business (or businesses) to partner with in responding to the requirement. Posting on eBuy will also ensure that a sufficient number of small businesses (i.e. *all* those awarded the relevant SIN(s)) have access to the RFQ so that there is a greater probability of receiving responses from CTAs made up solely between small businesses. For sample RFQ language on evaluating CTAs for the socioeconomic status factor, visit [gsa.gov/schedulesandsbgoals](http://gsa.gov/schedulesandsbgoals).

**5. A small business is not capable of doing any part of the work.**

If market research reveals that the requirement can only be met by an other than small business, ordering activities can still utilize small business by designating subcontracting to small businesses as a primary evaluation factor. Ordering activities can then post the RFQ to eBuy.

**6. Evaluate the quotes.**

In any situation, quotes must always be evaluated in accordance with the evaluation factors listed in the RFQ.

**7. Report in CPARS contracting performance.**

Recent rulings require ordering activities to report past performance and other responsibility-related determinations into the Contractor Performance Assessment Reporting System (CPARS).

Regardless of whether the BPA/task order was placed with a small business, a CTA, or an other than small business, ordering activities need to report past performance for the contractor in CPARS. Positive past performance will assist the small businesses with being awarded BPAs/orders in the future.